

ORIGINAL

FILED IN THE
U.S. DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

MAY 07 2004

JAMES R. LARSEN, CLERK
DEPUTY
SPOKANE, WASHINGTON

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Attorneys for Defendants

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON AT SPOKANE

DANIEL T. REINER,

Plaintiff,

v.

KEN BAGDASARIAN and JANE DOE
BAGDASARIAN and the marital
community thereof; WHEEL
FINISHING SYSTEMS, LLC, a
California Limited Liability Company;
and UNITED FINISHING SYSTEMS,
INC., a California corporation,

Defendants.

No. CV-04-0153-LRS
NOTICE OF REMOVAL

Defendants, KEN BAGDASARIAN, WHEEL FINISHING SYSTEMS, LLC
and UNITED FINISHING SYSTEMS, INC., provide Notice of Removal to the
United States District Court for the Eastern District of Washington at Spokane of the

1 above-described state-court action, *Daniel T. Reiner v. Ken Bagdasarian and Jane*
2 *Doe Bagdasarian and the marital community composed thereof; Wheel Finishing*
3 *Systems, LLC, a California Limited Liability Company; and United Finishing*
4 *Systems, Inc., a California Corporation*, Cause No. 04-2-00070-6, from the Superior
5 Court of Washington, County of Pend Oreille, where the action was filed on March
6 11, 2004.

7 The action is a civil action. The Complaint alleges Breach of Contract,
8 Conversion and Unjust Enrichment, and Violation of Washington Consumer
9 Protection Act. Plaintiff, Daniel T. Reiner, seeks judgment for damages, plus
10 attorneys' fees and costs.

11 Defendants were served with a summons and complaint in the action on or
12 about April 14, 2004. True and correct copies of all the process and pleadings served
13 on Defendants in this action are attached as Exhibit A to this Notice, and no further
14 proceedings have occurred. This removal is timely under 28 U.S.C. § 1446(b).

15 At all relevant times, including on March 11, 2004, when the above-described
16 state-court action was filed in the Superior Court of Washington, County of Pend
17 Oreille, Defendant Ken Bagdasarian was, and now is, a citizen of the State of
18 California having his principal place of residence in Whittier, California.

19 At all relevant times, including March 11, 2004, when the above-described
20 state-court action was filed in the Superior Court of Washington, County of Pend
21 Oreille, Defendant Wheel Finishing Systems LLC was, and now is, a limited liability
22 company organized, formed under the laws of the State of California.

23 At all relevant times, including March 11, 2004, when the above-described
24 state-court action was filed in the Superior Court of Washington, County of Pend
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1 Oreille, Defendant United Finishing Systems, Inc. was, and now is, a corporation
2 organized, formed and incorporated in and under the laws of the State of California.

3 At all relevant times, including on March 11, 2004, when the above-described
4 state-court action was filed in the Superior Court of Washington, County of Pend
5 Oreille, Plaintiff Daniel T. Reiner was, and now is, a citizen of the State of
6 Washington having his principal place of residence in Newport, Washington.

7 The matter in controversy exceeds, exclusive of costs and disbursements, the
8 sum or value of \$75,000.

9 Any civil action brought in state court, of which the district courts of the United
10 States would have original jurisdiction, may be removed by a defendant to the federal
11 district court for the district embracing the place where such action is pending. 28
12 U.S.C. §1441(a). The district courts of the United States have diversity jurisdiction of
13 civil actions where the matter in controversy exceeds \$75,000 *and* where the matter is
14 between citizens of different states. 28 U.S.C. § 1332(a)(1). For purposes of both
15 diversity jurisdiction and removal, a corporation is deemed to be a citizen of any state
16 in which it has been incorporated and of the state in which it has its principal place of
17 business. 28 U.S.C. § 1332(c)(1). An LLC is deemed to be a citizen of the state of
18 citizenship of its constituent members. Here, both the corporation and the members of
19 the LLC are not citizens in the State of Washington.

20 A defendant may remove any time within 30 days from receipt of a pleading,
21 motion, order or other paper, that sets out facts sufficient to ascertain the existence of
22 removal jurisdiction. 28 U.S.C. §1446(b).

23 Defendants will provide written notice of the filing of this Notice of Removal as
24 required by 28 U.S.C. § 1446(d).
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1 A copy of this Notice of Removal will be filed with the clerk of the Superior
2 Court of Washington, County of Pend Oreille, as required by 28 U.S.C. § 1446(d).

3 WHEREFORE, Defendants request that this action proceed in this Court as an
4 action properly removed to it.

5 DATED this 7th day of May, 2004.

6 PRESTON GATES & ELLIS LLP

7
8 By

9 
10 John R. Nelson, WSBA # 16393
11 J. Michael Keyes, WSBA # 29215
12 Attorneys for Defendants
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1 **CERTIFICATE OF SERVICE**

2 I hereby declare, under penalty of perjury under the laws of the State of
3 Washington, that on this 7th day of May, 2004, I caused a true and correct copy of the
4 foregoing NOTICE OF REMOVAL to be sent to the following counsel:
5

6 William Schroeder
7 Gregory S. Johnson
8 Paine Hamblen Coffin Brooke & Miller LLP
9 717 West Sprague Avenue, Suite 1200
Spokane, WA 99201

☐ via facsimile
☐ via overnight courier
☐ via first-class U.S. mail
☒ via hand delivery

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EXHIBIT A

Handwritten:
 4/12/04
 4/12/04

**COPY
 ORIGINAL FILED
 MAR 11 2004
 SUPERIOR COURT
 PEND OREILLE COUNTY, WA**

**IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
 IN AND FOR PEND OREILLE COUNTY**

DANIEL T. REINER

Plaintiff,

vs.

KEN BAGDASARIAN and JANE DOE
 BAGDASARIAN and the marital
 community thereof; WHEEL
 FINISHING SYSTEMS, LLC, a
 California Limited Liability Company;
 and UNITED FINISHING SYSTEMS,
 INC., a California Corporation.

Defendants.

No. 04-2-00070-6
SUMMONS

TO: DEFENDANTS ABOVE NAMED:

A lawsuit has been started against you in the above-entitled Court by Daniel T. Reiner,
 Plaintiff. Plaintiff's claim is stated in the written Complaint, a copy of which is served upon you
 with this Summons.

SUMMONS - 1

PAINE, HAMBLEN, COFFIN, BROOKE & MILLER LLP
 717 WEST SPRAGUE AVENUE, SUITE 1200
 SPOKANE, WASHINGTON 99201-3505 PHONE (509) 453-6000

1 In order to defend against this lawsuit, you must respond to the Complaint by stating your
2 defense in writing, and serve a copy upon the undersigned attorney for the Plaintiff within 20 days
3 after the service of this Summons in state, and 60 days after the service of this Summons out of
4 state, each excluding the day of service, or a default judgment may be entered against you without
5 notice. A default judgment is one where Plaintiff is entitled to what he asks for because you have
6 not responded. If you serve a notice of appearance on the undersigned attorney, you are entitled
7 to notice before a default judgment may be entered.
8

9
10 You may demand that the Plaintiff file this lawsuit with the Court. If you do so, the
11 demand must be made in writing and must be served upon the Plaintiff. Within 14 days after you
12 serve the demand, the Plaintiff must file this lawsuit with the Court, or the service on you of this
13 Summons and Complaint will be void.
14

15 If you wish to seek the advice of an attorney in this matter, you should do so promptly so
16 that your written response, if any, may be served on time.
17

18 This Summons is issued pursuant to Rule 4 of the Superior Court Civil Rules of the State
19 of Washington.

20 DATED this 10 day of March, 2004.

21
22 PAINE, HAMBLIN, COFFIN,
23 BROOKE & MILLER LLP

24
25 By: 

26 WILLIAM J. SCHROEDER, WSBA 7942
27 GREGORY S. JOHNSON, WSBA 13782
28 Attorneys for Plaintiff

USDCourt3 19:700013 1410000170100, WPT:me

SUMMONS - 2

PAINE, HAMBLIN, COFFIN, BROOKE & MILLER LLP
717 WEST SPRAGUE AVENUE, SUITE 1200
SPOKANE, WASHINGTON 99201-3503 PHONE (509) 453-6000

COPY
ORIGINAL FILED
MAR 11 2004
SUPERIOR COURT
PEND OREILLE COUNTY, WA

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR PEND OREILLE COUNTY

DANIEL T. REINER

Plaintiff,

vs.

KEN BAGDASARIAN and JANE DOE
BAGDASARIAN and the marital
community thereof; WHEEL
FINISHING SYSTEMS, LLC, a
California Limited Liability Company;
and UNITED FINISHING SYSTEMS,
INC., a California Corporation.

Defendants.

No.

04-2-00070-6

COMPLAINT FOR BREACH OF
CONTRACT, CONVERSION AND
UNJUST ENRICHMENT AND
VIOLATION OF WASHINGTON
CONSUMER PROTECTION ACT

I. PARTIES, JURISDICTION AND VENUE

1. Plaintiff Daniel T. Reiner is a resident of Newport, Pend Oreille County, Washington.

2. Defendants Ken and Jane Doe Bagdasarian are residents of California. Defendants Bagdasarian are believed to be founders and officers of Defendants Wheel Finishing

COMPLAINT FOR BREACH OF CONTRACT,
CONVERSION AND UNJUST ENRICHMENT
AND VIOLATION OF WASHINGTON
CONSUMER PROTECTION ACT - 1

PAINE, HAMBLIN, COFFIN, BROOKE & MILLER LLP
717 WEST SPRAGUE AVENUE, SUITE 1200
SPOKANE, WASHINGTON 99201-3505 PHONE (509) 455-6000

1 Systems, LLC and/or United Finishing Systems, Inc. (hereafter collectively referred to as
2 "Finishing Systems"). Defendants Finishing Systems are believed to be California corporations
3 or limited liability companies. At all times material hereto, Defendants Bagdasarian were doing
4 business as Finishing Systems and/or acting on their behalf.
5

6 3. Pursuant to RCW 4.28.185, this Court has personal and subject matter jurisdiction
7 over the parties and venue is proper in Pend Oreille County, Washington, because Defendant Ken
8 Bagdasarian, individually and on behalf of his martial community and Defendants Finishing
9 Systems, physically transacted business and committed tortious acts in Newport, Pend Oreille
10 County, Washington, and because the cause of actions set forth herein arise from the material
11 transactions and acts that occurred in Newport, Pend Oreille County, Washington.
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14 II. OPERATIVE FACTS

15 4. Defendant Ken Bagdasarian ("Bagdasarian") claimed to have created a machine
16 which eliminates the human labor that is necessary to polish aluminum automobile wheels. At
17 all times material hereto, Defendants sought investors who could help them bring the wheel
18 polishing product to market.
19

20 5. Defendant Bagdasarian, individually and on behalf of his martial community and
21 Defendants Finishing Systems, via telephone, facsimile, mail and e-mail, solicited Plaintiff Daniel
22 Reiner ("Reiner") to invest in Defendants' idea. During the course of discussions, it was agreed
23 that if a business deal was completed, the new business would be owned and operated by a new
24 Washington limited liability company, Media Finishing Systems, LLC, which was formed on
25 September 15, 2003. Plaintiff Reiner's interest level eventually reached the point where he was
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1 willing to outline a potential deal in a Memorandum of Understanding. At that juncture,
2 Defendant Bagdasarian, individually and on behalf of his martial community and Defendants
3 Finishing Systems, traveled to Plaintiff's residence in Newport, Washington, so they could
4 discuss and negotiate their potential business deal. During a meeting in Newport, Washington,
5 on or about August 5, 2003, Plaintiff Reiner provided a check in the amount of \$150,000 to
6 Bagdasarian in the name of Wheel Finishing Systems. This \$150,000 check was a good faith
7 equity deposit and the parties agreed the check was not to be negotiated until the closing of the
8 transaction. It was the agreement of the parties that if the transaction was not closed, the check
9 would be returned or destroyed. A redacted copy of the check is attached hereto as "Exhibit A."

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13 6. The potential deal between Plaintiff Reiner and Defendants did not work out,
14 closing never took place, and in September or October 2003, Messrs Reiner and Bagdasarian
15 agreed that the deal would not be completed. Consequently, pursuant to the agreement of the
16 parties, the check that Bagdasarian had been holding in trust was to be destroyed or returned.

17
18 7. On February 11, 2004, Plaintiff Reiner was reviewing various financial documents
19 in preparation for "tax season." During this process, he discovered that Defendant Bagdasarian,
20 in breach of their agreement, had negotiated the check on or about August 20, 2003. Plaintiff
21 Reiner called Defendant Bagdasarian and left a voice mail message which informed Defendant
22 Bagdasarian that the \$150,000 must be returned to Plaintiff Reiner immediately. Defendant
23 Bagdasarian's response was an e-mail in which he explained that he was caught off guard, did not
24 have a plan, and that he would call back in a few days with an answer. Plaintiff Reiner replied
25 via e-mail and indicated that if he did not hear from Defendant Bagdasarian by 9 a.m. on
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1 February 12, 2004, that he would commence legal action. Defendants have not returned Plaintiff
2 Reiner's \$150,000, nor have they provided any indication of how and when Plaintiff's \$150,000
3 will be returned.
4

5 8. At all times material hereto, all of Defendant Bagdasarian's actions were done
6 individually and on behalf of his martial community and/or Defendants Finishing Systems.
7

8 III. COUNT ONE

9 BREACH OF CONTRACT

10 9. Plaintiff hereby incorporates by reference the allegations set forth in Sections I and
11 II above and further alleges that Defendant Bagdasarian was provided the \$150,000 check based
12 upon an agreement that the check would be held in trust until the transaction between Plaintiff
13 and Defendants closed. Further, that if the transaction did not close, the check was to be returned
14 or destroyed. In fact, Defendant Bagdasarian, in breach of the agreement, deposited the check
15 within a few weeks of receiving it. By depositing the check he was supposed to hold in trust
16 before the condition precedent of closing, Defendant Bagdasarian, individually and on behalf of
17 his martial community and Defendants Finishing Systems, breached the agreement with Plaintiff.
18

19 10. Defendants further breached the agreement by failing to return or destroy the check
20 after the proposed transaction did not close.
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22 11. Defendants' breach of agreement has caused Plaintiff to incur damages in the
23 amount of \$150,000.
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IV. COUNT TWO

CONVERSION AND UNJUST ENRICHMENT

12. Plaintiff hereby incorporates by reference the allegations set forth in Sections I through III above and further alleges that Defendants have converted Plaintiff's \$150,000 for their common use and Defendants have been unjustly enriched in that amount. Defendants' wrongful actions have caused Plaintiff to be damaged in the amount of \$150,000.

V. COUNT THREE

VIOLATION OF THE WASHINGTON CONSUMER PROTECTION ACT

13. Plaintiff hereby incorporates by reference the allegations set forth in Sections I through IV above, and further allege that Defendants' unfair and deceptive acts regarding the \$150,000 check occurred in trade or commerce; impacted a public interest; and proximately caused injury to Plaintiff's business and/or property. Thus, Defendants are in violation of Washington's Consumer Protection Act.

VI. PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for the following relief:

14. For judgment against each of the Defendants, jointly and severally, in the amount of \$150,000;

15. That Plaintiff be awarded prejudgment and post-judgment interest;


16. That Plaintiff be awarded damages of \$10,000 for Defendants' violation of the Consumer Protection Act, plus attorney fees and costs in accordance with RCW §19.86.090;

17. For costs and disbursements incurred herein; and

1 18. For such other monetary and equitable relief as the Court deems just, appropriate
2 and reasonable.

3 DATED this 10 day of March, 2004.

5 PAINE, HAMBLIN, COFFIN,
6 BROOKE & MILLER LLP

7
8 By: 
9 WILLIAM J. SCHROEDER, WSBA 7942
10 GREGORY S. JOHNSON, WSBA 13782
11 Attorneys for Plaintiff

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